

# Incremental Funding Policy - 6.8.P (01/02/02)

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[Last Update: \(01/02/02\) RShibata:kma - 6.8.P.0](#)

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## Last Update: (01/02/02) RShibata:kma - 6.8.P.0

This policy has been revised to add a discussion of terminology used regarding incremental funding.

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## Background - 6.8.P.1

The budget cycle at SNL and uncertainties in program requirements at times force the use of special control measures in contracting with commercial, Integrated Contractors (ICs), and government sources. Typical problems requiring these measures include:

- a lengthy delay in final commitment approval is anticipated, but there is a critical need for Procurement's precontract effort to be performed immediately, and
- a need exists to conserve SNL's commitment authority (budget authority).

In addition, the SCR may choose to implement limitations to control Contractor performance for reasons other than budget restrictions. SCR discretionary performance controls (i.e., work phasing or milestones) may be used separately or in combination with any of the budgetary limitations shown on the PR.

Over the years, the terms “Incremental Funding,” “Funds Availability,” “Limitation of

Obligation,” “Limitation of Funds,” and “Limiting Contract Funding or Activity” have been used to describe this process. The process is now referred to as Incremental Funding. The Clauses titled “Limitation of Obligation” are used to place contracts where full funding is not available at time of placement.

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## Policy - 6.8.P.2

SNL's policy is to limit the amount of funding on contracts when insufficient funding and/or spend plan is available to cover the entire contract. Incremental Funding is a method to minimize SNL's commitments and limits the amount that can be spent on a contract. Incremental Funding prohibits a Contractor from:

- performing work,
  - incurring costs, or
  - making commitments in excess of the specified amount.
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Send feedback on ideas and information on this page to the Process Expert, Randy Shibata.



[Randy Shibata](#)



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